

Chola Raises ₹1,057 cr from ADB via NCDs

PTI

New Delhi: Murugappa Group's financial services arm Cholamandalam Investment and Finance Company has secured over ₹1,000 crore funding from Asian Development Bank (ADB) by issuing bonds to the multi-lateral funding agency. Chola on Monday announced it has issued unlisted non-convertible debentures (NCDs) in tenors of 3-5 years for ₹1,056.90 crore (\$150 million) to Asian Development Bank (ADB).

Chola is focussed on lending to the small road transport operators

(SRTO) and SME borrowers, a company statement said. The inroad made by Chola in tier IV and tier V towns in lesser penetrated regions augurs well to meet the objectives of financial inclusion of ADB to the under-served and lower income customer segments, Chola said.

Half of the money raised from ADB will be invested in lagging states to improve the growth prospects and employment opportunities in these areas, Chola said.

SRTOs, engaged in logistics, distribution and transport-related industries, will be given priority and SMEs seeking loans for investment and working capital will also benefit from access to this term financing, it said. "Chola with its focus on funding commercial vehicles for the SRTO segment and to the SMEs is ideally suited to meet ADB's objectives.

We look forward for a lasting relationship with ADB in furthering our goals mu-

tually," said Arun Alagappan, executive director, Chola.

"ADB's financing, provided in the backdrop of a slowdown in credit growth in the Indian banking system, has a counter-cyclical effect and is expected to boost investments and employment," ADB principal investment specialist for private sector operations Anshukant Taneja said. ADB provides medium and longer term financing to banks, NBFCs and financial institutions (FIs) to promote financial inclusion in lesser developed regions, especially for under-served and lower income customer segments.

